



SL. No.1

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH**

**COURT HALL NO: II**

**Hearing Through: VC and Physical (Hybrid) Mode**

**CORAM: SHRI. RAJEEV BHARDWAJ – HON'BLE MEMBER (J)  
CORAM: SHRI. SANJAY PURI- HON'BLE MEMBER (T)**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,  
HYDERABAD BENCH, HELD ON 03.11.2025 at 10:30 AM**

<b>TRANSFER PETITION NO.</b>	
<b>COMPANY PETITION/APPLICATION NO.</b>	<b>IA (IBC/402/2025 in Company Petition IB/222/95/HDB/2022</b>
<b>NAME OF THE COMPANY</b>	<b>Stressed Assets Management Branch-II</b>
<b>NAME OF THE PETITIONER(S)</b>	<b>State Bank of India</b>
<b>NAME OF THE RESPONDENT(S)</b>	<b>Yarlagadda Madhu Mohan</b>
<b>UNDER SECTION</b>	<b>95 of IBC</b>

**ORDER**

**IA (IBC/402/2025)**

Orders pronounced, recorded vide separate sheets. In the result, the IA(IBC)/402/2025 is allowed.

**Sd/-**  
**MEMBER (T)**

**Sd/-**  
**MEMBER (J)**



IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH-II

IA No.402 of 2025 in  
CP (IB) No.222/95/HDB/2022

*Under Sections 121 & 123 of IBC, 2016, R/w Rule 7 of the IBBI  
(Application to Adjudicating Authority for Bankruptcy Process for  
Personal Guarantor to Corporate Debtors) Rules, 2019*

**In the matter of Shri Yarlagadda Madhu Mohan, Personal Guarantor  
of M/s. YKM Entertainment & Hotels Private Limited**

**BETWEEN:**

**State Bank of India**

**Regd. Office:** State Bank Bhavan,  
14th Floor, Madame Cama Road, Nariman Point,  
Mumbai, Maharashtra – 400021.

**Branch Office:** State Bank of India,  
Stressed Asset Management Branch  
Secunderabad (4106), 5-9-76, 2nd Floor,  
Prabhat Towers, Chapel Road, Gunfoundry,  
Hyderabad – 500 001, Represented by  
Mr. M. Prasad, Assistant General Manager.

**.....Petitioner/Financial Creditor.**

**AND**

**Shri Yarlagadda Madhu Mohan,**

**Present Address:** 1-8-373 & 380 & 383, Flat No.512,  
Pattigadda, Krishe Gardens, Begumpet, Hyderabad-500003

**Business Address:** D. No.1-225, Golden Ridge Township,  
Pendyal Village, Maheshwaram Mandal, Rangareddy District,  
Telangana – 509325.

**.... Personal Guarantor/Respondent No.1.**



**M/s. YKM Entertainment & Hotels Private Limited**

H. No.6-3-883/F1, 2nd Floor,  
Pothula Towers Annexe, Somajiguda Circle,  
Hyderabad – 500 082.

**.... Corporate Debtor/Respondent No.2**

**Date of Order:03.11.2025**

**Coram:**

Hon'ble Rajeev Bhardwaj, Member (Judicial)

Hon'ble Sanjay Puri, Member (Technical)

**Counsel/Parties Present:**

For the Petitioner : Mr. GP Yash Vardhan, Ld. Counsel

For the Respondent : Ms. Siva Praneetha, Ld. Counsel

**P E R: B E N C H**

**O R D E R**

1. The Petitioner /Financial Creditor (FC) has filed this Application under Form B Section 121 r/w 123 of the IBC, 2016, and r/w Rule 7 of the IBBI (Application to Adjudicating Authority Bankruptcy Process for Personal Guarantors to Corporate Debtor) Rules, 2019, to initiate the Bankruptcy Process against the Personal Guarantor/Respondent No.1 of **M/s. YKM Entertainment & Hotels Private Limited**/Corporate Debtor (CD).
2. **Facts of the Case:**
  - a. The Corporate Debtor has availed financial assistance of Rs 263,48,37,487/- from the Financial Creditor and its associate banks from time to time, and in order to secure the repayment of



the said financial assistance, the Personal Guarantor has executed a Guarantee Agreement securing repayment of the financial assistance availed by the CD. The total dues, along with interest and other bank charges, amounted to Rs. 372,63,03,510/- w.e.f. 01.02.2025<sup>1</sup>.

- b. The Corporate Debtor has executed various loan documents, and the Personal Guarantor of the *Corporate* Debtor in order to secure the repayment of the financial assistance availed by the Corporate Debtor, has executed a Guarantee Agreement in favour of the Financial Creditor. Some of the relevant/important Agreement/Loan documents<sup>2</sup> were executed for the purpose of availing financial assistance. are detailed in pages 8 and 9 of the Application.
- c. The Corporate Debtor has defaulted on repayment of the loan amount due, resulting in NPA of the loan account of the CD on 29.11.2016. The Financial Creditor issued notice to the CD and PG on 09.08.2018 under Section 13(2) of the SARFAESI Act for repayment of the outstanding loan amount within 60 days from the date of issue of notice, i.e., 07.10.2018. In spite of serving the notice on 18.08.2018, no payment was made by the Personal Guarantor of the outstanding amount. As such, the debt fell due on 08.10.2018<sup>3</sup>.
- d. After the acquisition of the Associate Banks by the Financial Creditor, the FC filed Original Application No. 767 of 2018 before the Debt Recovery Tribunal, Hyderabad-II (“DRT”), against the Corporate Debtor, the Personal Guarantor, and other defendants seeking recovery of the outstanding loan amount of Rs 1,84,82,88,871, together with interest and other bank charges.

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<sup>1</sup> (Annexure 3 of the Application).

<sup>2</sup> (Annexure 3 of the Application).

<sup>3</sup> (Copy of the Notice under Section 13(2) are enclosed as Annexure No.4 of the Application).



- e. It is submitted by the FC that during the pendency of the O.A. before the DRT, the CD offered an OTS to the FC vide letter dated 02.04.2019, wherein the CD admitted its liability towards the FC, which was approved by the FC through its letter dated 01.08.2019 with certain terms & conditions and accepted by the Personal Guarantor/CD on 01.08.2019 on passing of the Resolution at its Board meeting held on 06.08.2019. One crucial condition was that in the event of the CD failing to pay the OTS amount or any instalment within the stipulated time, the FC reserves the right to cancel the OTS altogether and entire dues of the FC claimed before the DRT in the OA, with interest and costs will become due for payment after adjusting the amount recovered under OTS.
- f. Another IA No.4620/2019 was filed before the DRT on 13.09.2019 to record the compromise (OTS), wherein the CD and PG admitted the debt, agreeing to the terms and conditions of the settlement. The DRT, while allowing the O.A. vide orders dated 19.09.2019, gave liberty to the FC to approach them for issuance of a Recovery certificate against the CD/Personal Guarantor/other Defendants in the event of default of OTS payment.
- g. As the CD/PG failed to pay the amounts agreed to under OTS, the FC issued a letter dated 24.01.2020 to the CD informing them that, in spite of granting time and sending repeated reminders, no OTS instalment amount was paid, resulting in the OTS proposal being treated as cancelled. Subsequently, the FC filed MA No.61/2020 before the DRT, bringing to its notice the failure of the CD and PG to comply with the terms & conditions of the OTS and Joint Compromise Memo, praying the DRT to pass orders for the due amounts claimed under O.A. against the CD/Personal Guarantor/other Defendants. The M.A. is pending orders before the DRT.



- h. The FC has submitted that the Financial Statements of the CD for the years 2015-2016, 2016-2017, 2018-2019, 2019-2020, 2020-2021, and 2021-2022 demonstrate the debt and liability of the CD/PG to the FC as per the Guarantee Agreement.
- i. It is submitted that the Financial Creditor had earlier filed a Company Petition under Section 7 of the Insolvency and Bankruptcy Code, 2016, seeking initiation of the Corporate Insolvency Resolution Process (“CIRP”) against the Corporate Debtor, registered as C.P. (IB) No. 206/07/HDB/2021 before this Tribunal. The Corporate Debtor entered an appearance and filed its counter. Upon hearing both parties, this Tribunal, vide order dated 05.01.2022, admitted the said petition. Subsequently, the Financial Creditor filed the present application under Section 95 of the Insolvency and Bankruptcy Code, 2016, registered as C.P. (IB) No. 222/95/HDB/2022, seeking initiation of the Insolvency Resolution Process against the Personal Guarantor to the Corporate Debtor.
- j. The Financial Creditor issued a demand notice dated 29.04.2022 to the Personal Guarantor through registered post, which was duly served on 30.04.2022. In response, the Personal Guarantor issued a reply notice dated 23.05.2022. However, as the Personal Guarantor failed to discharge the outstanding dues, the Financial Creditor, in accordance with the Central Government framework titled Insolvency Resolution Process for Personal Guarantors to Corporate Debtors Rules, 2019, has filed the present application before this Adjudicating Authority seeking initiation of the Insolvency Resolution Process against the Personal Guarantor to the Corporate Debtor.
- k. This Tribunal vide orders dated 29.07.2022 passed an interim moratorium and appointed Mr. Raghu Babu Gunturu as Resolution Professional (RP), directing him to submit his report under Section



99 of the IBC. The RP submitted his report recommending the admission of the application filed by the FC. This Authority vide orders dated 27.02.2024 admitted the application under Section 100 of the Code and declared a moratorium under Section 101 of the Code.

1. As no repayment plan was submitted by the PG, the RP filed an IA No.1456/2024 before this Tribunal, which was allowed vide orders dated 13.11.2024 with the following directions:

*“As repayment has not been made and there is no chance of resolving the insolvency, the FC (SBI) is at liberty to file appropriate application under Section 121 of IBC. Accordingly, this application is disposed of”.*

In view of the above directions, this application is filed seeking bankruptcy proceedings against the Personal Guarantor.

**(Copy of the OTS request letters, OTS approval letter, Copy of Joint Compromise Memo, Orders dated 19.09.2019, M.A. No.61/2020, copy of Annual Report for the year 2015-2016, 2016-2017, 2018-2019, 2019-2020, 2020-2021 and 2021-2022 and OTS cancellation letter is filed as Annexure No.5 of the Petition).**

- m. In view of the above order of this Tribunal and considering the fact that the Individual Insolvency Resolution Process has failed in the matter of Personal Guarantor, the Petitioner has filed this instant Application (Form-B) under Section 123 of IBC, 2016 seeking to initiate Bankruptcy Proceedings against the Personal Guarantor/ Respondent No.1 within the period prescribed under the provisions of Insolvency and Bankruptcy Code, 2016.

3. **Counter:**



- a. The Respondent No.1 denies all the averments, contentions, submissions, and allegations made by the Financial Creditor in the present petition. The same are contrary to and inconsistent with the facts of the case, except to the extent specifically admitted herein.
- b. It is submitted by the Respondent No.1 that he is a citizen of the United States of America from 19.02.2011. Hence, the proceedings initiated by the Petitioner under the code are not maintainable against him.
- c. Company Appeal (AT) (INS) No.156/2024, was filed by the Respondent No.1, challenging the order dated 27.02.2024 passed by this Tribunal under Section 100 of the Code, raising the following queries given below:
  - i. Section 2 of the Code sets out the categories of persons to whom the Code applies. Although Clause (e) refers to “personal guarantors to corporate debtors,” there is no reference to foreign nationals. The territorial and personal scope of the Code is governed by Sections 2 and 3 (23), which, when read together, do not extend the Code’s applicability to foreign nationals, even if they are guarantors to Indian corporate debtors.
  - ii. Section 3(23) includes "persons resident outside India," which must be read in conjunction with Section 2. Unless the Code is expressly extended to foreign citizens, the definition in Section 3(23) cannot be invoked to override Section 2.
  - iii. Sections 234 and 235 of the Code, which govern cross-border insolvency and enable cooperation with foreign jurisdictions, have not been invoked or complied with. No agreement exists between the Government of India and the United States of America under these provisions. Consequently, proceedings under the Code against a U.S. citizen lack a statutory basis.
  - iv. That the Insolvency Law Committee Report on Cross Border Insolvency (June 2020) clearly recognises that the Code does not presently extend to foreign individuals or entities unless specific enabling provisions are notified or legislative amendments are carried out.



- d. The Respondent No.1 submits that he being a foreign citizen, the proceedings initiated under the Code are ultra vires and amount to an excess of jurisdiction, without legal basis.
- e. It is submitted that the appeal filed before the Hon'ble National Company Law Appellate Tribunal challenging the maintainability and jurisdiction of the proceedings initiated under the Code was dismissed for default on 20.02.2025, as the counsel for the Respondent No. 1 and the Appellant could not appear before the Appellate Authority when the matter was called up. The counsel for the Respondent No. 1 and the Appellant, immediately on 22.03.2025, filed a petition for restoration of the Company Appeal, which is yet to be listed

**(Copy of the restoration application filed before the Hon'ble NCLAT, Chennai, is herewith enclosed as Annexure – A).**

- 3.1 The effects of the Bankruptcy Order on the Respondent No.1 are detailed in Pages Nos. 4 to 5 of the Counter. It is also submitted that initiation of bankruptcy proceedings would have severe and detrimental consequences and constitutes an extreme step that should be resorted to only as a last resort.
- 3.2 It is submitted that the initiation of bankruptcy proceedings will have a grave adverse effect on the reputation and good will of the Respondent No. 1. Therefore, it is prayed that initiation of the same be considered on the basis of equities and would have a profoundly adverse effect on the daily livelihood of Respondent No. 1 and also requested for keeping the present application in abeyance till the adjudication of the appeal before the Hon'ble National Company Law Appellate Tribunal, Chennai.



3.3 The Respondent No. 1 seeks liberty to place additional documents and applications for fair adjudication of the present application.

3.4 In view of the facts and circumstances stated above, and also Company Appeal No. (AT) (INS) No.156/2024 before the Hon'ble NCLAT, Chennai Tribunal, the Respondent No.1 prays for keeping the application in abeyance till the outcome of the appeal filed before the Hon'ble NCLAT, Chennai Tribunal.

4. **Rejoinder:**

- a. In its rejoinder, the FC averred that the Personal Guarantor's reply is based on false and baseless allegations. The allegations made in the reply by the Personal Guarantor are denied except to the extent that are borne out of record, and the Personal Guarantor is put to strict proof of the same.
- b. It is submitted by the FC that the Personal Guarantor has raised various new issues in its reply, which need to be properly addressed and replied to accordingly, so as to bring forth the actual factual matrix, failing which the SBI will not be in a position to clarify these questions. The Personal Guarantor, with a view to circumventing the real issues involved in the Application, has come up with so many irrelevant and unnecessary allegations that do not have any basis. Unless these irrelevant issues raised by the Personal Guarantor are dealt with and necessary clarifications are given in the present rejoinder, the SBI will suffer irreparable loss.
- c. It is submitted that the Personal Guarantor has taken a ground that the Personal Guarantor is not a citizen of India, and therefore, the proceedings initiated under the Code are not maintainable against the Personal Guarantor. It is further submitted that the Appeal filed by the Personal Guarantor was dismissed on default by the Hon'ble NCLAT, Chennai vide its Order dated 20.02.2025. Some



of the essential points of the Guarantee Deeds (2011, 2014, and 2015) executed in India are reproduced in Pages 4 to 5 of the Rejoinder.

- d. In this connection, the FC has quoted relevant Paras 60 (1) and (2) to highlight the fact that Section 60(2) overrides any other provision under the Code. Further, Section 7 application against the Main Principal Borrower (YKM Entertainment Hotels Private Limited) was admitted by this Tribunal on 05.09.2022. Therefore, in either case, the jurisdiction for settling disputes against the Personal Guarantor can only be NCLT, Hyderabad, and its jurisdiction cannot be ousted. Therefore, the averment/allegation that the proceedings initiated under the Code against the Personal Guarantor, who is a foreign citizen, is ultra vires the statute, amounts to an excess of jurisdiction, and is without legal basis, is wrong and vehemently denied.
- e. The FC submits that the Personal Guarantor has never brought to the notice of this Tribunal the fact that he is a foreign citizen, and it was raised only at the time of the Appeal filed before the Hon'ble NCLAT, Chennai. The Personal Guarantor ought to have brought this to the notice of this Tribunal, this fact, in its Counter filed during the Insolvency Resolution Process in CP(IB)No.222/95/HDB/2022. The Personal Guarantor has failed to do so and hence, is estopped from raising the said issue at this stage. Therefore, there cannot be any locus for the Personal Guarantor to raise allegations / make out a new case at this juncture. The same is barred by the doctrine of Approbate and Reprobate.
- f. The Personal Guarantor has to submit a repayment plan within 21 days from the last date of submission of claims as per Section 105 of the Code. The last date to submit the repayment plan by the Personal Guarantor was 29.04.2024; however, at the request of the



Personal Guarantor during the 1st CoC meeting held on 21.05.2024, the date for submission of the repayment plan was extended till 31.05.2024. It is further submitted that the erstwhile Resolution Professional vide his e-mail dated 21.05.2024 informed the Personal Guarantor that the creditors have extended the last date to submit a repayment plan till 31.05.2024. As the Personal Guarantor did not submit a repayment plan till 31.05.2024, the erstwhile Resolution Professional vide e-mail dated 05.06.2024 informed the Personal Guarantor that the creditors have not accepted the request to further extend the timeline for submission of the repayment plan, and as such, the insolvency process would be terminated due to non-submission of the repayment plan.

- g. The FC submits that when the Personal Guarantor failed to submit a repayment plan in accordance with Section 105 of the Code, an Interlocutory Application bearing IA No.1456 of 2024 was filed by the erstwhile Resolution Professional seeking liberty to creditors to file an application for bankruptcy under Chapter IV, Section 121 of the Code. Furthermore, the erstwhile Resolution Professional vide his e-mail dated 04.07.2024 informed the Personal Guarantor about filing of the IA No.1456 of 2024 under Section 112 of the Code, which this Tribunal vide its Order dated 13.11.2024 has allowed the said IA, passing the following Order:

*“As repayment has not been made and there is no chance of resolving the insolvency, the Financial Creditor (SBI) is at liberty to file appropriate application under Section 121 of IBC, Accordingly, this application is disposed of”.*

**(Copies of the IA No. 1456 of 2024, along with above mentioned emails and order dated 13.11.2024, are filed as Annexure No.9 and Annexure No.20).**

- h. The FC submits that despite granting extension and multiple opportunities, the Personal Guarantor has failed to submit any repayment plan. Further, the Personal Guarantor, having sought



extension of time to submit the repayment plan, is estopped from raising frivolous objections. The Personal Guarantor, rather than focusing on complying with its debt obligations, is now raising these objections at this stage only to delay the bankruptcy process and avoid its liabilities. Hence, the FC is praying this Tribunal to allow this Application.

- i. In view of the above submissions, it is humbly prayed that this Adjudicating Authority may be pleased to pass an order admitting the instant Petition and Order for initiating Bankruptcy Proceedings against the Personal Guarantor/Respondent No.1.

## **5. FINDINGS AND DECISION**

- a. We have heard the parties, perused the records, and carefully examined the material placed.
- b. It is noted that the total dues of the Corporate Debtor, together with interest and other applicable charges, amount to Rs 372.63 crores. This fact has not been denied by the Personal Guarantor in his counter to the present application.
- c. It is further observed that the Insolvency Resolution Process initiated against the Personal Guarantor under Section 95 of the Insolvency and Bankruptcy Code, 2016, was not successful, as the Personal Guarantor failed to submit any repayment plan despite being granted sufficient opportunities.
- d. Consequently, this Authority, vide order dated 13.11.2024, permitted the Financial Creditor to file an appropriate application under Section 121 of the Code.
- e. In his counter, the Personal Guarantor has contended that he has been a citizen of the United States of America since 19.02.2021, and therefore, the proceedings initiated against him by the Applicant are not maintainable. He relies upon Sections 2(e) and



- 3(23) of the Code, submitting that when read conjointly, these provisions imply that unless the Code is expressly extended to foreign citizens, Section 3(23) cannot be invoked to override Section 2(e). He has also referred to Sections 234 and 235 of the Code to argue that, since these provisions have not been invoked, the present proceedings “lack statutory basis” as against a U.S. citizen.
- f. The aforesaid contentions are wholly misconceived and devoid of merit. Section 2(e) explicitly stipulates that the provisions of the Code apply to the “personal guarantor to corporate debtors,” a category into which the Respondent squarely falls. Section 3(23) merely defines the term “person” to include “a person resident outside India.” It does not create any exception for foreign citizens, as erroneously inferred by the Respondent.
- g. Section 234 of the Code pertains to reciprocal arrangements that the Central Government may enter into with foreign governments and has no bearing on the maintainability of proceedings against a personal guarantor merely because of foreign citizenship. Similarly, Section 235 provides a procedural mechanism for the Adjudicating Authority to issue a letter of request to a foreign court or authority concerning insolvency, liquidation, or bankruptcy proceedings where assets of the corporate debtor or personal guarantor are located abroad. Neither of these provisions restricts the applicability of the Code to a personal guarantor on the basis of nationality or citizenship.
- h. It is also noted that the Respondent had earlier filed an appeal before the Hon’ble NCLAT against this Authority’s order dated 27.02.2024, which had initiated proceedings under Section 95 of the Code. The said appeal [CA(AT)(INS) No. 156/2024] was dismissed for non-prosecution. The Respondent has since moved an application before the Hon’ble NCLAT seeking restoration of the



said appeal, which is presently pending consideration. On this basis, the Respondent has prayed that the present proceedings be kept in abeyance till the appeal is restored and decided. However, since no stay has been granted by the Hon'ble NCLAT, this plea is untenable and stands rejected.

- i. Except for the above untenable assertions, the Personal Guarantor has failed to advance any cogent ground or valid reason to oppose the initiation of bankruptcy proceedings under the present application.
- j. Another issue that arises for consideration is whether the present application satisfies the requirements of Section 121 of the Code for initiation of bankruptcy proceedings. For ready reference, Section 121 provides as follows:

***“Section 121: Application for Bankruptcy:***

*(1) An application for bankruptcy of a debtor may be made, by a creditor individually or jointly with other creditors or by a debtor, to the Adjudicating Authority in the following circumstances, namely;*

*(a) where an order has been passed by an Adjudicating Authority under sub-section 4 of section 100; or*

*(b) where an order has been passed by an Adjudicating Authority under sub-section 2 of section 115; or*

*(c) where an order has been passed by an Adjudicating Authority under sub-section 3 of section 118.*

***(2) An application for bankruptcy shall be filed within a period of three months of the date of the order passed by the Adjudicating Authority under the sections referred to in sub-section (1).***



*(3) Where the debtor is a firm, the application under sub-section (1) may be filed by any of its partners.”*

- k. In view of the above provision, it is observed that in the absence of a repayment plan filed by the Personal Guarantor, the Resolution Professional could not proceed with preparing or submitting the report as required under Sections 105 and 114 of the Code. This failure is treated as equivalent to the rejection of the repayment plan, as contemplated under Section 115(2) of the Code.
- l. Considering the above circumstances, and there being no repayment plan or any material indicating resolution of the insolvency, this Tribunal finds it just and proper to order the commencement of bankruptcy proceedings against the Personal Guarantor in accordance with the provisions of the IBC, 2016.

### ORDER

6. In the result, **Shri Yarlagadda Madhu Mohan**, 1-8-373 & 380 & 383, Flat No.512, Pattigadda, Krishe Gardens, Begumpet, Hyderabad-500003, Office Address: D. No.1-225, Golden Ridge Township, Pendyal Village, Maheshwaram Mandal, Rangareddy District, Telangana – 509325. Personal Guarantor/Respondent No.1 is hereby ordered to be **BANKRUPT**.
7. The Applicant proposed the Resolution Professional, **Shri. Sivarama Prasad Bhamidi**, having **IBBI No IBBI/IPA-003/IP-N00084/2017-2018/10822**, residing at Flat No.106, Sri Krishna Ambhas Apartment, Sri Laxminagar Colony, Attapur, Hyderabad, Telangana - 500048, email id: bsprasad9.ibc@gmail.com, Mobile No.9490797603, to be appointed as bankruptcy trustee. His IBBI Registration is valid up to 31st December, 2025. The said Resolution Professional has also given a declaration in



Part-IV of the Application. Hence, we hereby appoint Shri. Sivarama Prasad Bhamidi as Bankruptcy trustee under Section 125 of the Code.

8. The Registry is directed to provide a copy of this Bankruptcy order and a copy of the Bankruptcy petition to the creditors and bankruptcy trustee within a week as provided under Section 126 (2) of IBC, 2016.
9. This order of Bankruptcy shall continue to have the effect till the debtor is discharged under section 138 of IBC, 2016.
10. The bankrupt shall submit his statement of financial position to the bankruptcy trustee in the prescribed Form within seven days from the date of the order.
11. The estate of the bankrupt excluding the assets mentioned in Section 155(2) of Code R/W Rule 5 of Insolvency and Bankruptcy (Application to Adjudicating Authority for Bankruptcy Process for Personal Guarantors to Corporate Debtor) Rules, 2019 vest with the bankrupt trustee in pursuance of this order, the Bankruptcy trustee is directed to forthwith take into his custody all the assets, Properties, and actionable claims of the Bankrupt and take necessary steps to ensure preservation, protection security and maintenance of those properties as provided under section 128 and 154 of IBC, 2016.
12. The Bankruptcy trustee is directed to adhere to Section 128, 129 (4), 132, 133, 134, 136, and 137 of IBC, 2016, and discharge his powers and duties as specified and meticulously adhere to the Rules and Regulations issued by IBBI in this regard from time to time.
13. The Bankrupt trustee for the Adjudicating Authority shall send notices as provided under section 130(a) of IBC, 2016, within ten days from the



date of this order to the creditors mentioned in the statement of affairs submitted by the Bankrupt under section 129 of IBC, 2016.

14. The Public Notice inviting claims from the creditors as contemplated under section 130 (2) of the Code shall be issued in one morning, an English daily, and in one morning vernacular regional language newspapers having wide circulation where the bankrupt resides.
15. On passing of the Bankruptcy order but subject to sub-section (2) of 128 of the Code, shall not initiate any action against the property of the bankrupt in respect of debt and no suit or other legal proceeding shall be initiated against the bankrupt, save and except with the leave of the Adjudicating Authority as provided in section 128 (ii) of the Code.
16. The Bankrupt Trustee shall conduct the administration of the distribution of the estate of the bankrupt under Chapter V as provided in section 136 of the code.
17. The Bankrupt shall, from the date of the order, be subject to such disqualifications and restrictions as prescribed under sections 140 and 141 of the code.
18. The Bankruptcy Trustee may seek such further information or explanation in connection with the bankruptcy process as may be required from the debtor or the creditor, or any other person who, in the opinion of the Bankruptcy Trustee, may provide such information. The persons from whom information or explanation is sought shall furnish such information or explanation within seven days of receipt of the request.
19. The Bankruptcy Trustee shall exercise all the powers as enumerated under the Code, read with Rules and Regulations made thereunder.



20. The Bankruptcy Trustee shall submit to this Adjudicating Authority and committee a preliminary report within ninety days from the date of the Bankruptcy order after serving a copy of the report on the bankrupt as provided in Regulation 8 of Insolvency and Bankruptcy Board of India (Bankruptcy Process for personal Guarantors to corporate debtors) Regulation, 2019.
21. The Bankruptcy Trustee shall submit to this Authority a periodical progress report within fifteen days after the end of every quarter after serving a copy of the report on the bankrupt provided under Regulation 10 of Insolvency and Bankruptcy Board of India (Bankruptcy Process for Personal Guarantors to corporate debtors) Regulation, 2019.
22. The fee of the Bankruptcy trustee to be determined as provided under Regulation 4 of Insolvency and Bankruptcy Board of India (Bankruptcy Process for Personal Guarantors to Corporate Debtors) Regulation, 2019.
23. The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.
24. A certified copy of the order is to be issued upon compliance with the requisite formalities.

**Sd/-**

**SANJAY PURI  
MEMBER (TECHNICAL)**

**Sd/-**

**RAJEEV BHARDWAJ  
MEMBER (JUDICIAL)**